CYFARFOD	**GwE Joint Committee**
DYDDIAD	21 February 2018
TEITL	**Base Budget 2018/19**
PWRPAS	Present to the Joint Committee : • GwE Base Budget 2018/19 (Appendix 1) • Authorities Financial Contributions (Appendix 2) • 1st September 2017 Restructuring Summary (Appendix 3)
ARGYMHELLIAD	Adopt the base budget for 2018/19 as presented in Appendix 1.
AWDUR	GwE Managing Director and Gwynedd Council Head of Finance

1. Base Budget ("stand still")

1.1 GwE's budget is continuing to develop and now reflects the National Model's core business commitments and a significant number of projects funded by grants.

1.2 The financial impact of inflation/price increases has been estimated and included in the base budget (based on "stand still"), including salary increases and CPI increase.

2. Savings Target

2.1 The attached budget reflects the decision of the North Wales Leadership Development Board on the 19 January 2018 to include a savings targets which corresponds to a 1% decrease in the core contributions of the 6 constituent authorities, after adding inflation.

2.2 The budget includes a 'Savings to be found' line with the sum (£36,879) i.e. the 1% above.

3. Rent

3.1 GwE has relocated its Flintshire/Wrexham area office to Mold as of 1st September, with the annual cost being higher than the cost of the previous office, although the new Office is far more suitable for purpose.

3.2 It is expected to recoup part of the increased cost through attracting fee income, leaving (£11,000) of savings to be found.

4. Underspend Fund

4.1 The report 'GwE Budget 2017/18 – 3rd Quarter Review' (previous item on the agenda) estimates that there will be about £379,167 in the underspend fund on 31/03/2018.

4.2 An appropriate part of the fund will need to be earmarked to bridge any element of the savings target (para 2 above) and the increased rent (para 3 above), that cannot be found in full by GwE during 2018/19.

5. Restructuring

5.1 Since 1 February 2017 several reports have been presented to the Joint Committee on a revised secondary school model of working and developing a distributed leadership model across both primary and secondary sectors

5.2 Although the proposed structure is permanent, the risk of any future reductions in grant is managed through appointments to some posts being on a temporary basis.

5.3 As the proposed structure is already in place and effective from 1 September 2017, a statistical and financial summary is presented in appendix 3.

Appendix:

Appendix 1 - GwE Base Budget for 2018/19

Appendix 2 – Local Authority Contributions 2018/19

Appendix 2 – 1 September 2017 Restructuring Summary

VIEWS OF STATUTORY OFFICERS

The Monitoring Officer:

I will provide any observations regarding propriety in the meeting

The Statutory Finance Officer:

Co-author of the report.